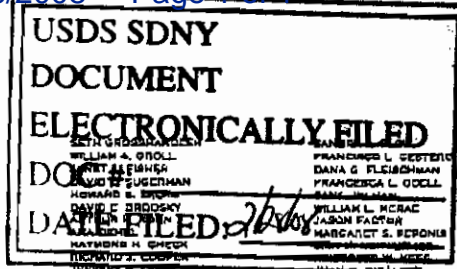


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MEMO ENDORSED

February 27, 2008

BY FAX

Honorable P. Kevin Castel, U.S.D.J.
United States District Court
Southern District of New York
500 Pearl Street
New York, New York 10007

Re: *Luminent Mortgage Capital, Inc. et al. v. HSBC Securities (USA) Inc.*,
No. 07 Civ. 9340 (PKC)

Dear Judge Castel:

While Defendant's counsel is again befuddled by Plaintiffs' precipitous decision to write the Court and disturbed by their misrepresentations concerning the circumstances giving rise to their counsel's letter, we presume that Your Honor has no interest in hearing about the "dispute about the dispute" and thus we will not respond unless directed by the Court. Instead, we will continue to urge Plaintiffs' cooperation in the prompt submission of a joint letter in accordance with the Court's order of February 4, 2008 so that the Court may consider the merits of the dispute. We would assure Your Honor, however, that Defendant has gained no unfair advantage given that, Plaintiffs' representations notwithstanding, neither party has yet furnished the other with its arguments for the joint letter (although Defendant stands ready to do so immediately upon Plaintiffs' written confirmation of the oral resolution of one of our potential disputes reached this evening).

Respectfully submitted,

Jeffrey A. Rosenthal

cc: Michael E. Petrella, Esq.

The attorney's position. Please submit a true Joint Letter by March 4, 2008. ORDERED 2-28-08 USAJ